

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

LR No.: 0963-01
Bill No.: SB 441
Subject: Political Subdivisions: Lead Abatement, Property Tax
Type: Original
Date: March 17, 2003

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on Other State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Local Government	(Unknown)	(Unknown)	(Unknown)

FISCAL ANALYSIS

ASSUMPTION

Officials of the **Missouri State Tax Commission** stated that this proposal would have no fiscal impact to their Commission, however, officials stated that this proposal could result in an unknown revenue loss to local political subdivisions.

Officials of the **City of Fulton** stated that this proposal would have no fiscal impact unless the governing body of the city would choose to participate in the lead abatement program.

Oversight assumes that the proposal as written would not mandate that cities and counties participate in the lead abatement program. Therefore, Oversight assumes that unless the governing body of a political subdivision would choose to participate, there would be no fiscal impact. If a political subdivision would participate the City or County taxing jurisdictions that rely upon the property tax system for funding, would realize an unknown loss of revenue in tax dollars generated by the property having it's taxes abated. **All taxing jurisdictions revenue would be affected except schools and the State's Blind Pension Fund.** The municipality or county would be allowed to charge a reasonable processing fee for the issuance of certificates of tax abatement pursuant to this proposal. **Oversight assumes the fee would be in amount that would cover the cost of printing and mailing the certificate of participation.**

ASSUMPTION (continued)

Although this proposal is permissive, Oversight will show fiscal impact to the political subdivisions as a loss of an unknown amount of revenue from the tax abatement program, and income in an unknown amount from issuing certificates of participation. The unknown Cost of printing and possibly mailing certificates of participation will be deducted.

The following political subdivisions did not respond to this proposal: The County Commissions/ Executives of: St. Charles County, St. Louis County, Jackson County, Greene County, Callaway, County, Boone County, and the City Managers of: Kansas City, St. Louis, St. Joseph, Springfield, St. Charles, and Columbia.

<u>FISCAL IMPACT - State Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
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	\$0	\$0	\$0
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<u>FISCAL IMPACT - Local Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
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**CERTAIN CITIES,
 MUNICIPALITIES**

<u>Income</u> to Certain Political Subdivisions from processing fee	Unknown	Unknown	Unknown
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<u>Cost</u> to Certain Political Subdivisions from printing and mailing certificates	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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Total Effect to Certain Political Subdivisions	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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POLITICAL SUBDIVISIONS

<u>Loss</u> to Certain Taxing Jurisdictions from property tax abatement.	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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FISCAL IMPACT - Small Business

Small businesses which own properties eligible for an abatement could be affected by this proposal..

DESCRIPTION

This act allows any county, any municipality and the city of St. Louis to provide for an abatement of a portion of real property tax liability for certain facilities involved in lead abatement projects.

The lead abatement project must be a qualified lead abatement project under existing law, certified by the Department of Health, and must be for a child-occupied dwelling. The tax abatement will only be given against that portion of the real property tax liability which is not allocated to schools or the Blind Pension Fund.

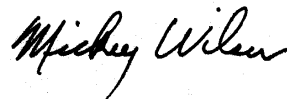
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Missouri State Tax Commission
City of Fulton

NOT RESPONDING:

The Counties of : St. Charles, St. Louis, Jackson, Greene, Callaway, Boone, and the City
Managers of : Kansas City, St. Louis, St. Joseph, Springfield, St. Charles, and Columbia.



Mickey Wilson, CPA
Director
March 17, 2003